APRIL/MAY 2025

GCM23/DCM23/DCP22 — ADVANCED CORPORATE ACCOUNTING

Time : Three hours Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer ALL questions.

Shanmuga Industries Arts & Science College T.V.Malai

1. How to make depreciation adjustment in CCA method?

2. Define Inflation.

3. Explain different Valuation approaches to accounting.

4. What is Current Cost Accounting?

5. Define HR Accounting.

6. Explain various challenges faced by organizations and HR Professionals while implementing HRA.

7. What is Cost of Human Resources?

8. What is Quality of Work Life (QWL)?

9. Explain Cost based approaches to the valuation of human assets.

10. What is replacement cost approach?

SECTION B — ($5 \times 5 = 25$ marks)

Answer ALL questions.

11. (a) As on 31st December 1985, the books of the Hercules bank, including among others, the following balances :

Rebate on Bills discounted (1.1.1985) : Rs 3,20,000

Discount Received Rs. 46,00,000

Bills discounted and Purchased Rs. 3,15,47,000.

Throughout 1985, the banks rate for discounting is 18%

On investigation and analysis, the average due date for the bills discounted and purchased is calculated as 14th February, 1986.

19. What is HR Accounting? Briefly explain its Advantages and Disadvantages.

20. Define Inflation accounting. Explain Merits and Demerits of Inflation Accounting.

Show the calculation of the amount to be credited to the banks Profit and Loss account under discount earned for the year 1985. Show also the journal entries required to adjust the above mentioned account.

Or

(b) Explain the features of banking company.

12. (a) A Life Insurance Company gets its valuation made once in every two years. Its Life assurance fund on 31.3.06 amounted to Rs. 63,84,000 before providing Rs. 64,000 for the share holders dividend for the year 2005-06. Its actuarial valuation due on 31.3.06 disclosed a net liability of Rs. 60,80,000 under assurance annuity contracts. An interim bonus of Rs 80,000 was paid on the policy holders during the two years ending 31.3.2006.Prepare a statement showing the amount now available as bonus to policy holders.

Or

(b) Differentiate between life insurance and general insurance.

15. (a) Explain the various advantages of Human Resource Accounting to the organisation.

Or

(b) What are the key challenges faced in HR Accounting?

SECTION C — ($3 \times 10 = 30$ marks)

Answer any THREE questions.

16. Following are the information from the books of Bheema Bank Ltd as on 31.12.87 :

	Rs.
Interest and discount received	36,95,738
Exchange and commission	2,00,000
Directors and auditors fees	55,000
Postage and telegram	62,313
Stationary	17,625
Preliminary expenses	15,000
Interest paid on deposits	20,32,542
Rent received	55,000

	Rs.
Salaries and allowances	1,75,000
Rent and taxes paid	87,973
Profit on sale of investments	2,00,000
Depreciation on building	27,375
Audit fees	5,000

Additional information :

(a) A customer to whom a sum of Rs. 10,00,000 has been advanced has become insolvent. It is expected that only 50% can be recovered from his private estate.

(b) For the remaining debts, a provision of Rs. 1,50,000 was necessary

(c) Rebate on bills discounted as on 31.1.86 Rs. 12,000 and 31.12.87 Rs. 16,000

(d) Provide Rs. 6,50,000 for taxation

(e) Write of all preliminary expenses

Prepare Profit and Loss Account.